



## ***PAJARO VALLEY WATER MANAGEMENT AGENCY***

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**Board of Directors Meeting**  
**April 20, 2011, 7:00 pm**

**City Council Chambers**  
**275 Main Street, 4<sup>th</sup> Floor**  
**Watsonville, CA**

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### **BOARD MEETING MINUTES**

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**1. Call to Order**

- 2. Roll Call of the PVWMA Directors and Pledge of Allegiance:** The Regular Board Meeting of Pajaro Valley Water Management Agency was called to order in the City Council Chambers, 275 Main Street, 4<sup>th</sup> Floor, Watsonville, CA, at 7:07 p.m. by Chair Imazio.

Board Members Present: Imazio, Cavanaugh, Eiskamp, Osmer, Vasquez

Board Members Absent: Dobler, Lynn

Staff Members Present: Mary Bannister, General Manager (GM)  
Mark Harvey, Administrative Services Manager (ASM)  
Brian Lockwood, Staff Hydrologist (SH)  
Others Present: Celestial Cassman (in for Agency Counsel)

**3. Pledge of Allegiance**

**4. Oral Communications:** None

- 5. Director Comments:** Director Cavanaugh commented in the Steve Collins conflict of interest issue, asking that counsel monitor the situation. Director Osmer suggested to agendaize this topic for the next meeting, if any costs were to be incurred by the Agency. Director Eiskamp stated that Steve Collins is appointed by the Monterey County Board of Supervisors and should be up to them to whether Mr. Collins should continue as a BMP Committee member. It was agreed that no action was warranted at this time.

- 6. Counsel Report:** Celestial Cassman (who filled for Agency Counsel) handed out an updated Directors Handbook.

- 7. General Manager Report:** GM once again encouraged the Board to sign up for the upcoming Spring ACWA Conference in Sacramento, CA

**8. Consent Agenda**

- A. Approve March 23, 2011 Minutes
- B. Approve Financial Report for March 2011
- C. Approve Disbursement Ledger for March 2011

**Action: Director Osmer moved approval of Item 8- Consent Agenda; seconded by Director Cavanaugh and unanimously approved by voice vote.**

**9. Discussion and/or Action Items**

- A. Consider adoption of Preliminary Budget for FY 2011-2012: ASM stated that the draft preliminary budget for Fiscal Year 2011-2012 was distributed to the Board with the agenda packet, posted on the agency website and made available to the public at tonight’s meeting. The figures contained within the budget are based on actual data, projections, and estimations. The budget is created on the accrual basis to be consistent with the year-end financial statements. On the accrual basis, revenues are recorded as earned and expenses recorded when incurred.

The budget is a communication tool in which significant assumptions are made. Major assumptions made in this budget are:

- The rates effort was successful in 2010 and the new rates are in place for this entire fiscal year.
- Anticipated augmentation and delivered water charge revenues of about \$8.6 million, based on the new rates.
- Receipt of \$2.6 million in Proposition 13 grant funds and receipt of \$261,000 in Proposition 50 and Proposition 84 grant funds.

This budget includes:

- No new staff positions.
- Final cash refund payments of \$1,240,000 in over-collected fees due July 2011.
- Continuation of a Basin Management Plan updates effort at a cost of \$800,000 in FY11-12.

Staff’s recommended timeline for budget adoption this year is as follows:

April 21	Board adopts the preliminary budget
April 26	Staff publishes required notice of availability of the preliminary budget
May 19	Board holds public hearing
June 16	Board considers adoption of final budget

Director Eiskamp stated that it truly bothered him that the budget does not contain a reserve for loss of existing litigation, feels that it is irresponsible on the Agency’s behalf. Director Osmer stated that reasonably, there are no reserves. Director Osmer requested to enhance the narrative and add the differences between last year and current.

Public Comments: Joe Pendry stated that he had attended the Administrative/Finance Committee meeting and could not find the monies spent for the Harkins Slough Project Monitoring Wells. He stated that he objected to a contract that he could not find in the budget and feels that the Agency needs to set aside money for litigation loss.

GM commented that two (2) years ago the Agency took out all of its reserves for the Augmentation refunds. She suggested bringing back a new reserve policy in the future, once all refunds are implemented.

After discussion, the following action was taken:

**Action: Director Osmer moved approval of Item 9A-Consider adoption of Preliminary Budget for FY 2011-2012; seconded by Director Cavanaugh, vote failed.**

GM stated that the Board needs to schedule a Special Board Meeting to review this item again.

- B. Discuss Ad Hoc Agency Act Committee Formation: GM stated that on February 16, 2011, the board considered formation of an ad hoc committee to recommend to the full board, amendments to the PVWMA Agency Act that may be proposed to state legislators for adoption. As discussed at that meeting, the committee would conduct a public process to gather input from the community as the process moves forward. Directors Osmer and Cavanaugh volunteered to be on the “Ad Hoc Agency

Act Committee.” At the board meeting of March 23, 2011, Director Eiskamp asked that the committee formation be agendized for further consideration. He requested that there be further discussion of the committee goal, schedule and outreach efforts, and that a more formal committee formation process be considered.

**Action: Director Eiskamp moved approval of Item9B that the Agency establish an Agency Act Committee with membership constituted by Directors Dennis Osmer and Dave Cavanaugh seconded by Director Cavanaugh and unanimously approved by voice vote.**

- C. Receive update on Ad Hoc Agency Act Committee approach and schedule: GM reported that the Ad Hoc Agency Act Committee (AHAAC) has met twice since its formation by the Board at the February 16, 2011 meeting. The AHAAC’s efforts to date have been focused upon determining a process for soliciting public participation on the Agency Act amendments prepared by the Agency’s General Counsel, and reviewed by the Board at the April 21<sup>st</sup> and November 17<sup>th</sup> meetings. Since the Board took no particular action on those occasions, at its April 12<sup>th</sup> meeting the AHAAC determined that it would ask the Board to approve the amendments proposed by Agency Staff and General Counsel as a starting point from which to seek public input. The approach discussed by the AHAAC is further described in the attached table and the memorandum prepared by Director Osmer. According to the tentative schedule, the AHAAC will present the Board with the results of the public process along with its recommendations, if any, at the September 21<sup>st</sup> regular meeting. GM recommended that the Board approve the draft Agency Act amendments for limited purpose of AHAAC public outreach and community input process, and direct staff to bring back to the Board for final consideration before submitting to legislative sponsor. No action was taken on this item.
  
- D. Consider three candidates for the Special District regular membership term on LAFCO, and provide direction to Chair Imazio: GM stated that the Independent special districts in Santa Cruz get to select three (3) positions on the LAFCO Board. There are currently two duly elected members on the LAFCO Board: Jim Anderson, Felton Fire Protection District, and Art Smith, Scotts Valley Fire Protection District. Mr. Anderson is in the middle of a four-year term as a regular LAFCO member and Mr. Smith just got elected to a four-year term as the district alternate.

The third position to become open is a regular seat, currently held by Jim Rapoza, San Lorenzo Valley Water District, who term will end on May 2, 2011.

The nomination period has closed for the 2011 election of special district regular member on LAFCO. The term for this position begins on May 2, 2011 and ends on May 4, 2015.

The three candidates for the regular member seat that ends on May 4, 2015 are:

- Edward Banks                      Pajaro Valley Cemetery District
- Jeffrey Martin                      Santa Cruz Port District
- Jim Rapoza                              San Lorenzo Valley Water District.

GM recommended that the Board provide direction to Chair Imazio regarding the upcoming election of the third LAFCO regular member designated for independent special districts in Santa Cruz County

**Action: Director Osmer moved approval of Item 9D- to direct Chair Imazio to vote for Edward Banks of Pajaro Valley Cemetery District for LAFCO membership; seconded by Director Cavanaugh and unanimously approved by voice vote.**

**10. Written Communication/Correspondences:** March 2011 Chron were included in the board packet

**11. Reports/Information Presentations**

- A. Project Operations Report- GM stated that staff held an Irrigator's Meeting with about 60 people in attendance.
  - 1. Winter diversions- GM reported that about 650 acre-feet of water was pumped to the recharge basin.
  - 2. Project deliveries-None
  - 3. Harkin Slough Maintenance Update: GM stated she and staff will be meeting with the County of Santa Cruz to set up some sort of plan of action.
- B. Board Committee Reports
  - 1. Administrative Finance- GM reported on the Admin/Finance meeting.
  - 2. Ad Hoc BMP Committee- Director Cavanaugh reported on the BMP meeting.
  - 3. Ad Hoc Agency Act Committee- GM reported on the committee meeting.
  - 4. Water Quality & Project Operations Committee- GM reported on the meeting.

\*Director Eiskamp requested to reconsider action of item 9A, stating that he changed his mind and decided to vote again.

**Action: Director Osmer moved approval of Item 9A-Consider adoption of Preliminary Budget for FY 2011-2012; seconded by Director Cavanaugh and unanimously approved by voice vote.**


**12. Future Meetings and Agenda Items**

- A. Ad Hoc Agency Act Committee- April 26, 2011, 10:00 am, PVWMA Conference Room
- B. Water Quality and Projects Operations Committee- May 4, 2011, 3:00 pm, PVWMA Conference Room
- C. Ad Hoc Basin Management Plan (AHBMP) Committee- May 5, 2011, 2:00 pm, UC Cooperative Extension, 1432 Freedom Blvd, Watsonville, CA
- D. Ad Hoc Basin Management Plan (AHBMP) Committee Projects Field Trip- May 6, 2011, 12:00 pm-3:00 pm, PVWMA Conference Room
- E. Administrative/Finance Committee – May 10, 2011, 12:30 pm, PVWMA Conference Room
- F. Association of California Water Agencies (ACWA) Annual Meeting, May 10-13, Sacramento Convention Center
- G. Agency Act Committee Update Informational Meeting- May 18, 2011, 5:00 pm-6:30 pm, City Council Chambers, 275 Main St, 4<sup>th</sup> Floor
- H. Board Meeting – May 18, 2011, 7:00 pm, City Council Chambers, 275 Main St, 4<sup>th</sup> Floor

**13. Future Agenda Items: None**

**14. Adjourned at: 8:41 pm**

  
Veronica Santana, Secretary

  
Date Approved